

OFFICE OF THE STATE CONTROLLER  
STATE MANDATED COSTS CLAIMING INSTRUCTIONS NO. 2008-11  
CALIFORNIA STATE TEACHERS' RETIREMENT SYSTEM (CALSTRS) SERVICE

CREDIT

SCHOOL DISTRICTS

SEPTEMBER 2, 2008

REVISED JULY 1, 2012

In accordance with Government Code (GC) sections 17560 and 17561, eligible claimants may submit claims to the State Controller's Office (SCO) for reimbursement of costs incurred for state-mandated cost programs. This document contains claiming instructions and forms that eligible claimants must use for filing claims for the California State Teachers' Retirement System (CALSTRS) Service Credit program. The Parameters and Guidelines (P's & G's) are included as an integral part of the claiming instructions.

On April 16, 2007, the Commission of State Mandates (CSM) determined that the test claim legislation established costs mandated by the State according to the provisions listed in the P's & G's.

**Exception**

There will be no reimbursement for any period in which the Legislature has suspended the operation of a mandate pursuant to state law.

**Eligible Claimants**

Except for community colleges, any school district or county office of education as defined in GC section 17519, that incurs increased costs as a result of this mandate is eligible to claim for reimbursement. Separate claiming instructions are written for community colleges. Refer to CALSTRS Services Credit for Community Colleges, program 287.

**Reimbursement Claim Deadline**

Claims for the **2011-2012** fiscal year may be filed by **February 15, 2013**, without a late penalty. **Claims filed more than one year after the filing date will not be accepted.**

**Penalty**

- **Initial Claims**

When filed within one year of the initial filing deadline, claims are assessed a late penalty of 10% of the total amount of the initial claim without limitation pursuant to GC section 17561, subdivision (d)(3).

- **Annual Reimbursement Claim**

When filed within one year of the annual filing deadline, claims are assessed a late penalty of 10% of the claim amount; \$10,000 maximum penalty, pursuant to GC section 17568.

### **Minimum Claim Cost**

GC section 17564, subdivision (a), provides that no claim may be filed pursuant to Sections 17551 and 17561, unless such a claim exceeds one thousand dollars (**\$1,000**), provided that a county superintendent of schools may submit a combined claim on behalf of school districts within their county if the combined claim exceeds **\$1,000**, even if the individual school district's claim does not each exceed **\$1,000**. If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement will be allowed except as otherwise allowed by GC section 17564. The county superintendent of schools will determine if the submission of the combined claim is economically feasible and be responsible for disbursing the funds to each school district. These combined claims may be filed only when the county superintendent of schools is the fiscal agent for the districts. A combined claim must show the individual claim costs for each eligible school district. All subsequent claims based upon the same mandate will only be filed in the combined form unless a school district provides a written notice of its intent to file a separate claim to the county superintendent of schools and to the SCO at least 180 days prior to the deadline for filing the claim.

### **Reimbursement of Claims**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. These costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating: "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5.

Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, these documents cannot be substituted for source documents.

### **Audit of Costs**

All claims submitted to the SCO are subject to review to determine if costs are related to the mandate, are reasonable and not excessive, and if the claim was prepared in accordance with the SCO's claiming instructions and the P's & G's adopted by the CSM. If any adjustments are made to a claim, the claimant will be notified of the amount adjusted, and the reason for the adjustment.

On-site audits will be conducted by the SCO as deemed necessary. Pursuant to GC section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a claimant is subject to audit by the SCO no later than three years after the date the actual reimbursement claim was filed or last amended, whichever is later. However, if no funds were appropriated or no payment was made to a claimant for the program for the fiscal year for which the claim was filed, the time for the SCO to initiate an audit will commence to run from the date of initial payment of the claim.

All documents used to support the reimbursable activities must be retained during the period subject to audit. If an audit has been initiated by the SCO during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings. Supporting documents must be made available to the SCO on request.

### **Record Retention**

All documentation to support actual costs claimed must be retained for a period of three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for the Controller to initiate an audit will be from the date of initial payment of the claim. Therefore, all documentation to support actual costs claimed must be retained for the same period, and must be made available to the SCO on request.

### **Claim Submission**

Submit a signed original Form FAM-27 and one copy with required documents. **Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.**

Mandated costs claiming instructions and forms are available online at the SCO's website: **[www.sco.ca.gov/ard\\_mancost.html](http://www.sco.ca.gov/ard_mancost.html)**.

Use the following mailing addresses:

If delivered by  
U.S. Postal Service:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250

If delivered by  
other delivery services:

Office of the State Controller  
Attn: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 700  
Sacramento, CA 95816

If you have any questions, you may e-mail [LRSDAR@sco.ca.gov](mailto:LRSDAR@sco.ca.gov) or call the Local Reimbursements Section at (916) 324-5729

Adopted: June 26, 2008

## **PARAMETERS AND GUIDELINES**

Education Code Sections 22455.5, Subdivision (b), 22460, 22509, Subdivision (a),  
22718, Subdivision (a)(1)(A), 22724, and 22852, Subdivision (e)

Statutes 1994, Chapter 603

Statutes 1996, Chapters 383, 634 and 680

Statutes 1997, Chapter 838

Statutes 1998, Chapter 965

Statutes 1999, Chapter 939

Statutes 2000, Chapter 1021

*California State Teachers' Retirement System (CalSTRS) Service Credit*  
02-TC-19

Santa Monica Community College District, Claimant

### **I. SUMMARY OF THE MANDATE**

In 2001, the Lassen County Office of Education and the San Luis Obispo County Office of Education, later joined by the Grant Joint Union High School District, filed the test claim *CalSTRS Creditable Compensation* (01-TC-02) on Statutes 1999, chapter 939, and Statutes 2000, chapter 1021, as they added and amended Education Code 22119.2. In 2003, the Santa Monica Community College District filed the test claim *CalSTRS Service Credit* (02-TC-19) on the same Education Code section and statutes, but also made test claim allegations regarding 28 additional Education Code sections. The two test claims shared common issues, allegations, and statutes, and thus, the claims were consolidated pursuant to California Code of Regulations, title 2, section 1183.06. However, all of the approved statutes and activities were pled in the *CalSTRS Service Credit* (02-TC-19) test claim. Therefore, these are the parameters and guidelines for the *CalSTRS Service Credit* program.

On April 16, 2007, the Commission on State Mandates (Commission) adopted a Statement of Decision finding that Education Code sections 22455.5, subdivision (b), 22460, 22509, subdivision (a), 22718, subdivision (a)(1)(A), 22724, and 22852, subdivision (e), impose new programs or higher levels of service for school districts within the meaning of article XIII B, section 6 of the California Constitution, and impose costs mandated by the state pursuant to Government Code section 17514, for the following specific new activities:

- Employers shall make available criteria for membership, including optional membership, in a timely manner to all persons employed to perform creditable service subject to coverage by the Defined Benefit Program, and shall inform part-time and substitute employees, within 30 days of the date of hire, that they may elect membership in the plan's Defined Benefit Program at any time while employed.

Written acknowledgment by the employee shall be maintained in employer files on a form provided by CalSTRS. (Ed. Code, § 22455.5, subd. (b).)<sup>1</sup>

- Amend the notice that employers transmit to a member who terminates employment with less than five years of credited service, as part of the usual separation documents, to include the specific information specified in Education Code section 22460, subdivision (a)(1) – (3), regarding the Defined Benefit Supplement account. (Ed. Code, § 22460; one-time activity.)<sup>2</sup>
- Within 10 working days of the date of hire of an employee who has the right to make an election pursuant to Education Code section 22508 or 22508.5, the employer shall inform the employee of the right to make an election to CalSTRS or CalPERS and shall make available to the employee written information provided by each retirement system concerning the benefits provided under that retirement system to assist the employee in making an election. (Ed. Code, § 22509, subd. (a).)<sup>3</sup>
- The employer shall certify the number of unused excess sick leave days to CalSTRS for retiring members, using the method of calculation described in Education Code section 22724, subdivision (a). (Ed. Code, § 22718, subd. (a)(1)(A).)<sup>4</sup>
- Upon request from the CalSTRS board, the employer shall submit sick leave records of past years for audit purposes. (Ed. Code, § 22724, subd. (b).)<sup>5</sup>
- The employer shall provide information to CalSTRS regarding the reemployment of a member who is subject to federal law regarding the reemployment of military service personnel (38 U.S.C.A. § 4301 et seq.), on a form prescribed by CalSTRS, within 30 days of the date of reemployment. (Ed. Code, § 22852, subd. (e).)<sup>6</sup>

The Commission concludes that Education Code sections 22000, 22002, 22119.2, 22119.5, 22146, 22458, 22461, 22501, 22502, 22503, 22504, 22711, 22712.5, 22713, 22714, 22717, 22717.5, 22800, 22801, 22803, 22851, 22950 and 22951, as amended and pled, along with any other test claim statutes and allegations not specifically approved above, do not impose a program, or a new program or higher level of service, subject to article XIII B, section 6.

## **II. ELIGIBLE CLAIMANTS**

Any “school district” as defined in Government Code section 17519, which includes school districts, county offices of education and community college districts, which incurs increased

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<sup>1</sup> As added and amended by Statutes 1994, chapter 603, Statutes 1996, chapter 634, and Statutes 1999, chapter 939.

<sup>2</sup> As repealed, reenacted and amended, by Statutes 2000, chapter 1021.

<sup>3</sup> As repealed, reenacted and amended, by Statutes 1996, chapter 383, and Statutes 1997, chapter 838.

<sup>4</sup> As amended by Statutes 1999, chapter 939.

<sup>5</sup> As added by Statutes 1999, chapter 939.

<sup>6</sup> As added and amended by Statutes 1996, chapter 680, and Statutes 1998, chapter 965.

costs as a result of this mandate is eligible to claim reimbursement. Charter schools are not eligible claimants.

### **III. PERIOD OF REIMBURSEMENT**

Government Code section 17557, subdivision (e), states that a test claim shall be submitted on or before June 30 following a given fiscal year to establish eligibility for that fiscal year. The Santa Monica Community College District filed the test claim on May 12, 2003. Therefore, the reimbursement period begins on or after July 1, 2001.

Actual costs for one fiscal year shall be included in each claim. Pursuant to Government Code section 17561, subdivision (d)(1)(A), all claims for reimbursement of initial fiscal year costs shall be submitted to the State Controller within 120 days of the issuance date for the claiming instructions.

If the total costs for a given fiscal year do not exceed \$1,000, no reimbursement shall be allowed except as otherwise allowed by Government Code section 17564.

### **IV. REIMBURSABLE ACTIVITIES**

To be eligible for mandated cost reimbursement for any fiscal year, only actual costs may be claimed. Actual costs are those costs actually incurred to implement the mandated activities. Actual costs must be traceable and supported by source documents that show the validity of such costs, when they were incurred, and their relationship to the reimbursable activities. A source document is a document created at or near the same time the actual cost was incurred for the event or activity in question. Source documents may include, but are not limited to, employee time records or time logs, sign-in sheets, invoices, and receipts.

Evidence corroborating the source documents may include, but is not limited to, worksheets, cost allocation reports (system generated), purchase orders, contracts, agendas, training packets, and declarations. Declarations must include a certification or declaration stating, "I certify (or declare) under penalty of perjury under the laws of the State of California that the foregoing is true and correct," and must further comply with the requirements of Code of Civil Procedure section 2015.5. Evidence corroborating the source documents may include data relevant to the reimbursable activities otherwise in compliance with local, state, and federal government requirements. However, corroborating documents cannot be substituted for source documents.

The claimant is only allowed to claim and be reimbursed for increased costs for reimbursable activities identified below. Increased cost is limited to the cost of an activity that the claimant is required to incur as a result of the mandate.

For each eligible claimant, the following activities are reimbursable:

#### **A. One-Time Activity**

##### **1. *Separation Notice:***

- a. Amend the notice that employers transmit to a member who terminates employment with less than five years of credited service, as part of the usual separation documents, to include the specific information specified in Education Code section 22460, subdivision (a)(1) – (3), regarding the Defined Benefit Supplement account. (Ed. Code, § 22460.)

## B. Ongoing Activities

### 1. *Employment Notices:*

- a. Make available criteria for membership, including optional membership, in a timely manner to all persons employed to perform creditable service subject to coverage by the Defined Benefit Program, and inform part-time and substitute employees, within 30 days of the date of hire, that they may elect membership in the plan's Defined Benefit Program at any time while employed. (Ed. Code, § 22455.5, subd. (b).)
- b. Maintain written acknowledgment by the employee regarding information provided about the Defined Benefit Program in employer files on a form provided by CalSTRS. (Ed. Code, § 22455.5, subd. (b).)
- c. Within 10 working days of the date of hire of an employee who has the right to make an election pursuant to Education Code section 22508 or 22508.5, inform the employee of the right to make an election to CalSTRS or CalPERS and make available to the employee written information provided by each retirement system concerning the benefits provided under that retirement system to assist the employee in making an election. (Ed. Code, § 22509, subd. (a).)

### 2. *Sick Leave Days:*

- a. Certify the number of unused excess sick leave days to CalSTRS for retiring members, using the method of calculation described in Education Code section 22724, subdivision (a). (Ed. Code, § 22718, subd. (a)(1)(A).)
- b. Upon request from the CalSTRS board, submit sick leave records of past years for audit purposes. (Ed. Code, § 22724, subd. (b).)

### 3. *Military Service Reemployment:*

- a. Provide information to CalSTRS regarding the reemployment of a member who is subject to federal law regarding the reemployment of military service personnel (38 U.S.C.A. § 4301 et seq.), on a form prescribed by CalSTRS, within 30 days of the date of reemployment. (Ed. Code, § 22852, subd. (e).)

## V. **CLAIM PREPARATION AND SUBMISSION**

Each of the following cost elements must be identified for each reimbursable activity identified in Section IV, Reimbursable Activities, of this document. Each claimed reimbursable cost must be supported by source documentation as described in Section IV. Additionally, each reimbursement claim must be filed in a timely manner.

### A. Direct Cost Reporting

Direct costs are those costs incurred specifically for the reimbursable activities. The following direct costs are eligible for reimbursement.

#### 1. Salaries and Benefits

Report each employee implementing the reimbursable activities by name, job classification, and productive hourly rate (total wages and related benefits divided by productive hours). Describe the specific reimbursable activities performed and the hours devoted to each reimbursable activity performed.

## 2. Materials and Supplies

Report the cost of materials and supplies that have been consumed or expended for the purpose of the reimbursable activities. Purchases shall be claimed at the actual price after deducting discounts, rebates, and allowances received by the claimant. Supplies that are withdrawn from inventory shall be charged on an appropriate and recognized method of costing, consistently applied.

## 3. Contracted Services

Report the name of the contractor and services performed to implement the reimbursable activities. Attach a copy of the contract to the claim. If the contractor bills for time and materials, report the number of hours spent on the activities and all costs charged. If the contract is a fixed price, report the dates when services were performed and itemize all costs for those services.

## 4. Fixed Assets and Equipment

Report the purchase price paid for fixed assets and equipment (including computers) necessary to implement the reimbursable activities. The purchase price includes taxes, delivery costs, and installation costs. If the fixed asset or equipment is also used for purposes other than the reimbursable activities, only the pro-rata portion of the purchase price used to implement the reimbursable activities can be claimed.

## 5. Travel

Report the name of the employee traveling for the purpose of the reimbursable activities. Include the date of travel, destination point, the specific reimbursable activity requiring travel, and related travel expenses reimbursed to the employee in compliance with the rules of the local jurisdiction. Report employee travel time according to the rules of cost element A.1, Salaries and Benefits, for each applicable reimbursable activity.

### B. Indirect Cost Rates

Indirect costs are costs that have been incurred for common or joint purposes. These costs benefit more than one cost objective and cannot be readily identified with a particular final cost objective without effort disproportionate to the results achieved. After direct costs have been determined and assigned to other activities, as appropriate, indirect costs are those remaining to be allocated to benefited cost objectives. A cost may not be allocated as an indirect cost if any other cost incurred for the same purpose, in like circumstances, has been claimed as a direct cost.

Indirect costs include: (a) the indirect costs originating in each department or agency of the governmental unit carrying out state mandated programs, and (b) the costs of central governmental services distributed through the central service cost allocation plan and not otherwise treated as direct costs.

School districts must use the J-380 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

County offices of education must use the J-580 (or subsequent replacement) non-restrictive indirect cost rate provisionally approved by the California Department of Education.

Community colleges have the option of using: (1) a federally approved rate, utilizing the cost accounting principles from the Office of Management and Budget Circular A-21, "Cost



Principles of Educational Institutions”; (2) the rate calculated on State Controller's Form FAM-29C; or (3) a 7% indirect cost rate.

## **VI. RECORD RETENTION**

Pursuant to Government Code section 17558.5, subdivision (a), a reimbursement claim for actual costs filed by a local agency or school district pursuant to this chapter<sup>7</sup> is subject to the initiation of an audit by the Controller no later than three years after the date that the actual reimbursement claim is filed or last amended, whichever is later. However, if no funds are appropriated or no payment is made to a claimant for the program for the fiscal year for which the claim is filed, the time for the Controller to initiate an audit shall commence to run from the date of initial payment of the claim. In any case, an audit shall be completed not later than two years after the date that the audit is commenced. All documents used to support the reimbursable activities, as described in Section IV, must be retained during the period subject to audit. If an audit has been initiated by the Controller during the period subject to audit, the retention period is extended until the ultimate resolution of any audit findings.

## **VII. OFFSETTING REVENUES AND REIMBURSEMENTS**

Any offsets the claimant experiences in the same program as a result of the same statutes or executive orders found to contain the mandate shall be deducted from the costs claimed. In addition, reimbursement for this mandate from any source, including but not limited to, service fees collected, federal funds, and other state funds, shall be identified and deducted from this claim.

## **VIII. STATE CONTROLLER’S CLAIMING INSTRUCTIONS**

Pursuant to Government Code section 17558, subdivision (b), the Controller shall issue claiming instructions for each mandate that requires state reimbursement not later than 60 days after receiving the adopted parameters and guidelines from the Commission, to assist local agencies and school districts in claiming costs to be reimbursed. The claiming instructions shall be derived from the test claim decision and the parameters and guidelines adopted by the Commission.

Pursuant to Government Code section 17561, subdivision (d)(1), issuance of the claiming instructions shall constitute a notice of the right of the local agencies and school districts to file reimbursement claims, based upon parameters and guidelines adopted by the Commission.

## **IX. REMEDIES BEFORE THE COMMISSION**

Upon request of a local agency or school district, the Commission shall review the claiming instructions issued by the State Controller or any other authorized state agency for reimbursement of mandated costs pursuant to Government Code section 17571. If the Commission determines that the claiming instructions do not conform to the parameters and guidelines, the Commission shall direct the Controller to modify the claiming instructions and the Controller shall modify the claiming instructions to conform to the parameters and guidelines as directed by the Commission.

In addition, requests may be made to amend parameters and guidelines pursuant to Government Code section 17557, subdivision (d), and California Code of Regulations, title 2, section 1183.2.

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<sup>7</sup> This refers to Title 2, division 4, part 7, chapter 4 of the Government Code.

**X.      LEGAL AND FACTUAL BASIS FOR THE PARAMETERS AND GUIDELINES**

The Statement of Decision is legally binding on all parties and provides the legal and factual basis for the parameters and guidelines. The support for the legal and factual findings is found in the administrative record for the test claim. The administrative record, including the Statement of Decision, is on file with the Commission.

<b>CA. STATE TEACHERS' RETIREMENT SYSTEM (CALSTRS)</b> <b>SERVICE CREDIT</b> <b>CLAIM FOR PAYMENT</b>			<b>For State Controller Use Only</b>		<b>PROGRAM</b>  <span style="font-size: 2em; font-weight: bold;">286</span>	
(01) Claimant Identification Number			Reimbursement Claim Data			
(02) Claimant Name			(22) FORM-1, (04) A. 1.(f)			
County of Location			(23) FORM-1, (04) B. 1.(f)			
Street Address or P.O. Box		Suite	(24) FORM-1, (04) B. 2.(f)			
City	State	Zip Code	(25) FORM-1, (04) B. 3.(f)			
		<b>Type of Claim</b>	(26) FORM-1, (06)			
		(03) (09) Reimbursement <input type="checkbox"/>	(27) FORM-1, (07)			
		(04) (10) Combined <input type="checkbox"/>	(28) FORM-1, (09)			
		(05) (11) Amended <input type="checkbox"/>	(29) FORM-1, (10)			
Fiscal Year of Cost		(06)	(12)	(30)		
Total Claimed Amount		(07)	(13)	(31)		
Less: <b>10% Late Penalty</b> (refer to attached Instructions)			(14)	(32)		
Less: <b>Prior Claim Payment Received</b>			(15)	(33)		
Net Claimed Amount			(16)	(34)		
Due from State		(08)	(17)	(35)		
Due to State			(18)	(36)		
<b>(37) CERTIFICATION OF CLAIM</b>  <p>In accordance with the provisions of Government Code Sections 17560 and 17561, I certify that I am the officer authorized by the school district or county office of education to file mandated cost claims with the State of California for this program, and certify under penalty of perjury that I have not violated any of the provisions of Article 4, Chapter 1 of Division 4 of Title 1 of the Government Code.</p> <p>I further certify that there was no application other than from the claimant, nor any grant(s) or payment(s) received, for reimbursement of costs claimed herein; claimed costs are for a new program or increased level of services of an existing program; and claimed amounts do not include charter school costs, either directly or through a third party. All offsetting revenues and reimbursements set forth in the parameters and guidelines are identified, and all costs claimed are supported by source documentation currently maintained by the claimant.</p> <p>The amount for this reimbursement is hereby claimed from the State for payment of actual costs set forth on the attached statements.</p> <p>I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>Signature of Authorized Officer</p>    <p>_____</p> </div> <div style="width: 45%;"> <p>Date Signed _____</p> <p>Telephone Number _____</p> <p>E-mail Address _____</p> </div> </div> <p>Type or Print Name and Title of Authorized Signatory _____</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 45%;"> <p>(38) Name of Agency Contact Person for Claim</p>    <p>_____</p> <p>Name of Consulting Firm / Claim Preparer</p>    <p>_____</p> </div> <div style="width: 45%;"> <p>Telephone Number _____</p> <p>E-mail Address _____</p> <p>Telephone Number _____</p> <p>E-mail Address _____</p> </div> </div>						

PROGRAM  
**286**

**CA. STATE TEACHERS' RETIREMENT SYSTEM (CALSTRS)  
SERVICE CREDIT  
CLAIM FOR PAYMENT  
INSTRUCTIONS**

**FORM  
FAM-27**

- (01) Enter the claimant identification number assigned by the State Controller's Office.
- (02) Enter claimant official name, county of location, street or postal office box address, city, State, and zip code.
- (03) to (08) Leave blank.
- (09) If filing a reimbursement claim, enter an "X" in the box on line (09) Reimbursement.
- (10) If filing a combined reimbursement claim on behalf of districts within the county, enter an "X" in the box on line (10) Combined.
- (11) If filing an amended reimbursement claim, enter an "X" in the box on line (11) Amended.
- (12) Enter the fiscal year for which actual costs are being claimed. If actual costs for more than one fiscal year are being claimed, complete a separate Form FAM-27 for each fiscal year.
- (13) Enter the amount of the reimbursement claim as shown in the attached Form 1 line (11). The total claimed amount must exceed \$1,000; minimum claim must be \$1,001.
- (14) Initial claims must be filed as specified in the claiming instructions. Annual reimbursement claims must be filed by **February 15** of the following fiscal year in which costs were incurred or the claims must be reduced by a late penalty. Enter zero if the claim was filed on time. Otherwise, enter the penalty amount as a result of the calculation formula as follows:
- Late Initial Claims: Form FAM-27 line (13) multiplied by 10%, without limitation; or
  - Late Annual Reimbursement Claims: Form FAM-27, line (13) multiplied by 10%, late penalty not to exceed \$10,000.
- (15) Enter the amount of payment, if any, received for the claim. If no payment was received, enter zero.
- (16) Enter the net claimed amount by subtracting the sum of lines (14) and (15) from line (13).
- (17) If line (16), Net Claimed Amount, is positive, enter that amount on line (17), Due from State.
- (18) If line (16), Net Claimed Amount, is negative, enter that amount on line (18), Due to State.
- (19) to (21) Leave blank.
- (22) to (36) Bring forward the cost information as specified on the left-hand column of lines (22) through (36) for the reimbursement claim, e.g., Form 1, (04) A. 1. (f), means the information is located on Form 1, line (04) A. 1., column (f). Enter the information on the same line but in the right-hand column. Cost information should be rounded to the nearest dollar, i.e., no cents. Indirect costs percentage should be shown as a whole number and without the percent symbol, i.e., 7.548% should be shown as 8. **Completion of this data block will expedite the process.**
- (37) Read the statement of Certification of Claim. The claim must be dated, signed by the agency's authorized officer, and must type or print name, title, date signed, telephone number and E-mail address. **Claims cannot be paid unless accompanied by an original signed certification. (Please sign the Form FAM-27 in blue ink and attach the copy to the top of the claim package.)**
- (38) Enter the name, telephone number, and E-mail address of the agency contact person for the claim. If claim was prepared by a consultant, type or print the name of the consulting firm, the claim preparer, telephone number, and e-mail address.

**SUBMIT A SIGNED ORIGINAL FORM FAM-27 AND ONE COPY WITH ALL OTHER FORMS TO:**

***Address, if delivered by U.S. Postal Service:***

**OFFICE OF THE STATE CONTROLLER  
ATTN: Local Reimbursements Section  
Division of Accounting and Reporting  
P.O. Box 942850  
Sacramento, CA 94250**

***Address, if delivered by other delivery service:***

**OFFICE OF THE STATE CONTROLLER  
ATTN: Local Reimbursements Section  
Division of Accounting and Reporting  
3301 C Street, Suite 700  
Sacramento, CA 95816**

<b>PROGRAM</b> <span style="font-size: 2em; font-weight: bold;">286</span>	<b>CA STATE TEACHERS' RETIREMENT SYSTEM (CALSTRS) SERVICE CREDIT CLAIM SUMMARY</b>	<b>FORM</b> <span style="font-size: 3em; font-weight: bold;">1</span>
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(01) Claimant	(02) Fiscal Year 20__/20__
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**Claim Statistics**

(03)

**Direct Costs****Object Accounts**

	(a)	(b)	(c)	(d)	(e)	(f)
	Salaries and Benefits	Materials and Supplies	Contract Services	Fixed Assets	Travel	Total
(04) Reimbursable Activities						
<b>A. One-Time Activity</b>						
1. Separation Notice						
<b>B. Ongoing Activities</b>						
1. Employment Notices						
2. Sick Leave Days						
3. Military Service Reemployment						
(05) Total Direct Costs						

**Indirect Costs**

(06) Indirect Cost Rate	[Refer to Claim Summary Instructions]	%
(07) Total Indirect Costs	[Line (05)(f) – line (05)(d) – \$ <span style="border: 1px solid black; display: inline-block; width: 50px; height: 15px; vertical-align: middle;"></span> ] x line (06)	
(08) Total Direct and Indirect Costs	[Line (05)(f) + line (07)]	

**Cost Reduction**

(09) Less: Offsetting Revenues		
(10) Less: Other Reimbursements		
(11) Total Claimed Amount	[Line (07) - {line (08) + line (09)}]	

<b>PROGRAM</b> <b>286</b>	<b>CA STATE TEACHERS' RETIREMENT SYSTEM (CALSTRS) SERVICE CREDIT CLAIM SUMMARY INSTRUCTIONS</b>	<b>FORM</b> <b>1</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year of costs.
- (03) Leave blank.
- (04) For each reimbursable activity, enter the totals from Form 2, line (05), columns (d) through (h), to Form 1, block (04), columns (a) through (e), in the appropriate row. Total each row.
- (05) Total columns (a) through (f).
- (06) Enter the indirect cost rate from the California Department of Education approved indirect cost rate for the year that funds are expended.
- (07) From the Total Direct Costs, line (05)(f), deduct Total Fixed Assets, line (05)(d) and any other item excluded from indirect cost distribution base in accordance with CSAM Procedure 915. Enter zero if there are no exclusions. Multiply the result by the Indirect Cost Rate, line (06).
- (08) Enter the sum of Total Direct Costs, line (05)(f), and Total Indirect Costs, line (07).
- (09) If applicable, enter any revenue received by the claimant for this mandate from any state or federal source.
- (10) If applicable, enter the amount of other reimbursements received from any source including, but not limited to, service fees collected, federal funds, and other state funds that reimbursed any portion of the mandated cost program. Submit a schedule detailing the reimbursement sources and amounts.
- (11) From Total Direct and Indirect Costs, line (07), subtract the sum of Offsetting Revenues, line (08), and Other Reimbursements, line (09). Enter the remainder on this line and carry the amount forward to Form FAM-27, line (13) for the Reimbursement Claim.

**PROGRAM**  
**286**

**CA. STATE TEACHERS' RETIREMENT SYSTEM (CALSTRS) SERVICE CREDIT  
ACTIVITY COST DETAIL**

**FORM**  
**2**

(01) Claimant

(02)

Fiscal Year

20\_\_\_\_ / 20\_\_\_\_

(03) Reimbursable Activities: Check only one box per form to identify the activity being claimed.

**A. One-Time Activity**

**B. Ongoing Activities**

☐ Separation Notice

☐ Employment Notices

☐ Sick Leave Days

☐ Military Service Reemployment

(04) Description of Expenses

**Object Accounts**

(a) Employee Names, Job Classifications, Functions Performed and Description of Expenses	(b) Hourly Rate or Unit Cost	(c) Hours Worked or Quantity	(d) Salaries and Benefits	(e) Materials and Supplies	(f) Contract Services	(g) Fixed Assets	(h) Travel
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(05) Total ☐ Subtotal ☐ Page: \_\_\_\_ of \_\_\_\_

<b>PROGRAM</b> <b>286</b>	<b>CA. STATE TEACHERS' RETIREMENT SYSTEM (CALSTRS) SERVICE CREDIT</b> <b>ACTIVITY COST DETAIL</b> <b>INSTRUCTIONS</b>	<b>FORM</b> <b>2</b>
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- (01) Enter the name of the claimant.
- (02) Enter the fiscal year for which costs were incurred.
- (03) Check the box that indicates the activity being claimed. Check only one box per form. A separate Form 2 must be prepared for each applicable activity.
- (04) The following table identifies the type of information required to support reimbursable costs. To detail costs for the activity box checked in block (03), enter the employee names, position titles, a brief description of the activities performed, actual time spent by each employee, productive hourly rates, fringe benefits, supplies used, contract services, and travel expenses. **The descriptions required in column (4)(a) must be of sufficient detail to explain the cost of activities or items being claimed.** For audit purposes, all supporting documents must be retained by the claimant for a period of not less than three years after the date the claim was filed or last amended, whichever is later. If no funds were appropriated or no payment was made at the time the claim was filed, the time for the Controller to initiate an audit will be from the date of initial payment of the claim. Such documents must be made available to the SCO on request.

Object/ Sub object Accounts	Columns								Submit supporting documents with the claim
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	
<b>Salaries and Benefits</b>	Employee Name and Title	Hourly Rate	Hours Worked	Salaries = Hourly Rate x Hours Worked					
	Activities Performed	Benefit Rate		Benefits = Benefit Rate x Salaries					
<b>Materials and Supplies</b>	Description of Supplies Used	Unit Cost	Quantity Used		Cost = Unit Cost x Quantity Used				
<b>Contract Services</b>	Name of Contractor  Specific Tasks Performed	Hourly Rate	Hours Worked  Inclusive Dates of Service			Cost=Hourly Rate x Hours Worked or Total Contract Cost			Copy of Contract and Invoices
<b>Fixed Assets</b>	Description of Equipment Purchased	Unit Cost	Usage				Cost= Unit Cost x Usage		
<b>Travel</b>	Purpose of Trip Name and Title Departure and Return Date	Per Diem Rate Mileage Rate Travel Cost	Days Miles Travel Mode					Total Travel Cost = Rate x Days or Miles	

- (05) Total line (04), columns (d) through (h) and enter the sum on this line. Check the appropriate box to indicate if the amount is a total or subtotal. If more than one form is needed to detail the activity costs, number each page. Enter totals from line (05), columns (d) through (h) to Form 1, block (03), columns (a) through (e) in the appropriate row.